

VHC Mortgage Work Group Meeting

August 12, 2006
Patrick Henry Building
House Room 1
10:00 A.M.

Members Present:

Delegate Terrie Suit (Chair)
Delegate John Cosgrove
Delegate Bob Hull

Citizen Members:

Chris Beale
Phillip H. Boykin
Robert N. Bradshaw
Connie Chamberlin
Eric Gregory
Susan Hancock
Judson McKellar
Schaefer Oglesby
John L. Powell
Michele Watson

The meeting was called to order at 10:20 a.m.
Introductions were made from the Work Group as well as audience members.

HB 698 (2005)

Delegate Suit gave an overview of her bill from the previous session. The bill allows the Virginia Housing and Development Authority (VHDA) to serve as broker as well as service the mortgage, a practice known as dual compensation. The Mortgage/Lender Broker Act generally prohibits the broker from collecting a fee but on certain loans, where the closing is in the name of VHDA, it is now allowed. If the loan is originated on behalf of VHDA and the lender complies with VHDA program requirements, VHDA will pay an origination fee.

Michele Watson of the Virginia Housing and Development Authority reported that the bill has worked very well and a number of mortgage lenders have returned to the VHDA program.

Real Estate Board Regulations - Broker Responsibility

Karen O'Neal with the Department of Professional and Occupational Regulation explained to the work group the provisions relating to the broker's responsibility for acts of licensees and employees. In 2003 the Board added a prohibition for use without a broker, and also verified what a settlement agent can do.

The meeting was adjourned at 12:00 p.m.